

AUTHORIZED SIGNATURE:

DATE:

Special Uses Management Bureau

Management Memo: SUMB 03-03

Subject: Procedures for authorizing Subleasing of residential leases on state trust land

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Status: Final

I. Authority

The authority for the Department to authorize a lessee of state lands the right to sublease such land is contained in 77-6-209, MCA and 36.25.119 (1) ARM directs, in part, that: “If a sublease is made on terms less advantageous to the sublessee than terms given by the state, or without filing a copy of the sublease and receiving the department’s approval, the director shall cancel the lease or license subject to the appeal procedures provided in ARM 36.24.121”. The lessee that desires to sublease the state land that they hold under lease for residential purposes shall make written application to the Department.

II. Goal

It is the goal of the Department to allow subleasing of the state lands for residential purposes that allows the lessee to recapture the annual lease fee.

III. Objectives

IT IS THE OBJECTIVE OF THE DEPARTMENT THAT:

- All subleases be filed and reviewed by the Department.
- That no sublease will be approved if all lease fees and property taxes on the lessee improvements have not been paid.
- That no sublease will be approved if the lessee has not complied with all lease terms.
- The lessee shall have the option to sublease their state lease for residential purposes and receive compensation solely to recapture the annual rental. No additional fees will be assessed.

IV. Procedures

1. A lessee who wants to sublease state land leased for residential purposes must make application on DNRC/TLMD form SUMB Sublease. This form must be

completed by the lessee and submitted to the Area or Unit office responsible for the lands to be subleased.

2. The office issuing the sublease agreement shall contact their local county planning office to confirm appropriate land use regulations. No sublease will be approved if the terms of the sublease agreement are not in compliance with the local land use regulations.
3. No sublease will be approved if the sublessee is an unrelated third party that will occupy the site concurrently with the lessee.
4. The sublease application must be signed by all parties to the lease agreement and notarized.
5. A \$25 application fee must be submitted for each application.
6. If the application is complete and correct, the length of the sublease shall not exceed 1 year. A sublease will be effective in accordance with the lease rental cycle from March 1 through February 28 annually. A sublease for any portion of that year constitutes one year of subleasing.
7. If the application is complete and correct, the sublease agreement may be approved by the Unit Manager or Area Manager.
8. The original copy of the sublease agreement will be retained by the Bureau, one copy with the lessee, and copies at the Unit and Area offices.
9. The Unit or Area offices will receipt the application fee and the Bureau will enter the necessary information into the TLMS file.
10. The DNRC reserves the right to refuse to issue a sublease if doing so is not in the best interest of the trust.

**MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
APPLICATION FOR SUBLEASE OF STATE LANDS
FEE \$25.00**

Lease Number _____ Area Office _____

Lessee/s _____

Address _____ Phone _____

DESCRIPTION

Lot # _____ Legal _____

Sec. _____ Twn _____ Rge _____

PURPOSE

Sublease authorized to recapture annual lease fee. No additional fee required.

A sublease year runs from March 1 through February 28 of the following year. A sublease for any portion of that year constitutes one year of subleasing.

The sublease term on the above described lands shall begin on the _____ day of _____, _____ and shall terminate not later than the 28th day of February, _____.

The lessee agrees and is responsible for all terms and condition of the lease agreement. If the lessee violates the sublease authorized only to recapture the annual lease fee, the Director shall cancel the lease subject to the appeal procedures provided in Section 77-6-211, MCA.

Signature of lessee

Subscribed and sworn to before me this _____ day of _____ 20____

Notary Public for the State of Montana

Residing at _____

My Commission Expires _____

Approval of Sublease

Department Use Only

Approved the _____ day of _____ 20____.

Area Manager/Unit Manager _____